

Your partner
to grow your
business

AGCO FINANCE BASIC PRODUCT COMPARISON

REGULATED BY THE CONSUMER CREDIT ACT 1974 (AS AMENDED)

DESCRIPTION	LOAN AGREEMENT	HIRE PURCHASE	FINANCE LEASE	OPERATING LEASE/ CONTRACT HIRE
Deposit required	No	A deposit is usually required in addition to the full vat / vat difference	Minimal	Minimal
VAT deferral for up to 3 months?	N/A	No**	N/A	N/A
Pay for full value of equipment over the term?	N/A	Yes	Yes	No - depreciation only
Own goods/equipment	Yes	Not until all payments made and option to purchase fee has been paid	No	No
Right to return goods/equipment	N/A	After 50% of the total amount payable, as defined in your Hire Purchase contract	No	No
Can I sell the goods/equipment?	N/A	Yes, once the outstanding balance has been paid in full	No	No
Fixed monthly/periodic payments	Yes	Yes	Yes	Yes
Pay for Damage on return of equipment?	N/A	No	No	Yes
Excess wear and tear costs?	No	No	No	Yes
Depreciation in value of equipment risk	Yes	Yes	Yes	No
Early redemption fees	No	No	N/A	N/A
AGCO Finance is Secured by title to the equipment	No	Yes	Yes	Yes
VAT	N/A	Payable in full at start**	Paid on each rental	Paid on each rental
Accounting treatment*	Interest deductible as trading expense*	Interest deductible as trading expense; asset and liability on balance sheet*	Your accountant or financial advisor will help you determine the appropriate accounting and tax treatment of your business*	Rentals normally deductible as a trading expense*
Benefit from surplus Sale Proceeds, once any settlement due to AGCO Finance has been fully paid	Yes - if a tangible asset	Yes	Yes	No

*Your accountant or financial advisor will help you determine the appropriate accounting and tax treatment of your business

**In development

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Authorised and regulated by the Financial
Conduct Authority only in respect of agreements
regulated by the Consumer Credit Act 1974

